

REMARKS

The Applicant respectfully requests consideration of the present application as amended herewith.

Respectfully submitted,

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Marked up version of current claims:

1. ~~A computer implemented method for continuously valuing one or more real options of a business enterprise, comprising:~~(amended) A computer readable medium having sequences of instructions stored therein, which when executed cause the processor in a computer to perform a metric selection method, comprising:

~~obtaining data related to the real options, elements of value and value of the business enterprise and its competitors,~~

~~determining, which elements of value are causing enterprise stock price changes;~~

~~calculating for each causal element of value the relative ranking of each causal element vis a vis firms competing with the enterprise,~~

~~calculating the appropriate discount rate for use in valuing the real options and contingent liabilities as a function of the relative causal element strength, and calculating real option values.~~

integrating raw and transformed data from a variety of systems into predictive models that identify performance indicators that reflect the impact of each element of value on the financial performance and value of one or more segments of an enterprise.

2. ~~The computer implemented method of claim 1 wherein the value of the business enterprise includes a revenue component, an expense component and a capital component.~~(amended) The computer readable medium of claim 1 wherein the segments are selected from the group consisting of current operation, real options and market sentiment.

3. ~~The computer implemented method of claim 1 wherein determining which elements of value are causing stock price changes comprises using output from a causal model.~~(amended) The computer-implemented method of claim 2 where the current operation segment contains components of value selected from the group consisting of revenue, expense and capital change.

4. ~~The computer implemented method of claim 1 wherein determining the relative ranking of the causal elements of value comprises using output from a data envelopment analysis to determine the relative ranking of the element of value.~~(amended) The computer readable medium of claim 1 wherein the elements of value are selected from the group consisting of relationships, brands, channels,

customers, employees, intellectual property, partners, processes, production equipment and vendors.

~~5. The computer implemented method of claim 1 wherein calculating real option values comprises using a Black-Schole's algorithm to complete the calculation.(amended)~~ The computer readable medium of claim 1 wherein data is obtained from the group consisting of advanced financial systems, basic financial systems, alliance management systems, brand management systems, customer relationship management systems, channel management systems, intellectual property management systems, process management systems, vendor management systems, operation management systems, sales management systems, human resource systems, accounts receivable systems, accounts payable systems, capital asset systems, inventory systems, invoicing systems, payroll systems and purchasing systems.

~~6. The computer implemented method of claim 1 wherein calculating real option values comprises using a binomial algorithm to complete the calculation.(amended)~~ The computer readable medium of claim 1 wherein an enterprise is defined by a single product, a group of products, a division or an entire company.

~~7. The computer implemented method of claim 1 where in processing further comprises identifying the variable that is the best predictor of stock price movement by comparing the clustering accuracy based on different variables on the known clustering of the S&P 500.(amended)~~ The computer readable medium of claim 1 wherein the performance indicators are selected from the group consisting of totals, rolling totals, ratios, rates of change, averages, patterns, rolling averages, trends and time lagged trends derived from numeric and date fields in the enterprise date, item variables and composite variables.

~~8. A computer readable medium having sequences of instructions stored therein, which when executed cause a processor to perform a method for continuously valuing one or more real options of a business enterprise, comprising:(amended)~~ The computer readable medium of claim 1 wherein the identified performance indicators reflect net element impact on one or more enterprise segments and the other elements of value.

~~obtaining data related to the elements of value, real options and value of the business enterprise and its competitors;~~

~~determining, which elements of value are causing enterprise stock price changes;~~
~~calculating for each causal element of value the relative ranking of each causal element vis-a-vis firms competing with the enterprise;~~
~~calculating the appropriate discount rate for use in valuing the real options and contingent liabilities as a function of the relative causal element strength, and~~
~~calculating real option values.~~

9. ~~The computer readable medium of claim 8, wherein the value of the business enterprise includes a revenue component, an expense component and a capital component.~~(amended) The computer readable medium of claim 1 wherein clustering can optionally be used to refine performance indicator development by segmenting the data into different time periods or dividing one or more of the elements of value into two or more sub-elements of value.

10. ~~(amended) The computer readable medium of claim 8 wherein determining which element variablesthe predictive models are causing stock price changes comprises using output from a causalthe group consisting of neural networks; regression trees (CART); generalized autoregressive conditional heteroskedasticity (GARCH), projection pursuit regression; generalized additive model (GAM); redundant regression network; rough-set analysis; Naïve Bayes Regression, linear regression; support vector method, stepwise regression, Tetrad, maximum message length, LaGrange, Bayesian and path analysis.~~

11. ~~The computer readable medium of claim 8 wherein determining the relative ranking of the causal elements of value comprises using output from a data envelopment analysis to determine the relative ranking of each of the causal elements of value.~~(amended) A metric selection system, comprising:

computers connected by a network each with a processor having circuitry to execute instructions; a storage device available to each processor with sequences of instructions stored therein, which when executed cause the processors to:

integrate raw and transformed data from a variety of systems into predictive models that identify performance indicators that reflect the impact of each element of value on the financial performance and value of one or more segments of an enterprise.

~~12. The computer readable medium of claim 8 wherein calculating real option values comprises using a Black-Schole's algorithm to complete the calculation.~~(amended) The system of claim 11 wherein data is obtained from the group consisting of advanced financial systems, basic financial systems, alliance management systems, brand management systems, customer relationship management systems, channel management systems, intellectual property management systems, process management systems, vendor management systems, operation management systems, sales management systems, human resource systems, accounts receivable systems, accounts payable systems, capital asset systems, inventory systems, invoicing systems, payroll systems and purchasing systems.

~~13. The computer readable medium of claim 8 wherein calculating real option values comprises using a binomial algorithm to complete the calculation.~~(amended) A computer readable medium having sequences of instructions stored therein, which when executed cause the processors in a plurality of computers that have been connected by a network to perform a value management method, comprising:

integrating raw and transformed data from a variety of systems into models that quantify the impact of elements of value on the other elements of value and one or more segments of an enterprise;

calculating the value of the one or more segments;

combining the quantified element impacts with the segment valuations to determine the value of the elements of value to a value of the enterprise; and

reporting the value of the elements of value and the enterprise using a paper document or electronic display.

~~14. The computer readable medium of claim 8 wherein processing further comprises identifying the variable that is the best predictor of stock price movement by comparing the clustering accuracy based on different variables on the known clustering of the S&P 500.~~(amended) The computer readable medium of claim 13 wherein the segments of value are selected from the group consisting of current operation, real options and market sentiment.

~~15. A~~(amended) The computer system, comprising:
~~a processor having circuitry to execute instructions;~~

~~a storage device coupled to~~readable medium of claim 14 where the processor~~current~~
operation segment of value contains components of value selected from the group
consisting of revenue, expense and having sequences of instructions stored therein,
~~which when executed cause the processor to,~~

~~obtain data related to the elements of value, real options and value of the~~
~~business enterprise and its competitors;~~

~~determine, which elements of value are causing enterprise stock price changes;~~

~~calculate for each causal element of value the relative ranking of each causal~~

~~element vis a vis firms competing with the enterprise;~~

~~calculate the appropriate discount rate for use in valuing the real options and contingent~~
~~liabilities as a function of the relative causal element strength, and~~
~~calculate real option values~~capital change.

16. ~~The computer system of claim 15, wherein the processor is further caused to~~
~~determine which elements of value are causing stock price changes comprises using~~
~~output from a causal model.~~(amended) The computer readable medium of claim 13
wherein the elements of value are selected from the group consisting of relationships,
brands, channels, customers, employees, intellectual property, partners, processes,
production equipment and vendors.

17. ~~The computer system of claim 15 wherein determining the relative ranking of the~~
~~causal elements of value comprises using output from a data envelopment analysis to~~
~~determine the relative ranking of each of the causal elements of value.~~(amended) The
computer readable medium of claim 13 wherein data is obtained from the group
consisting of advanced financial systems, basic financial systems, alliance management
systems, brand management systems, customer relationship management systems,
channel management systems, intellectual property management systems, process
management systems, vendor management systems, operation management systems,
sales management systems, human resource systems, accounts receivable systems,
accounts payable systems, capital asset systems, inventory systems, invoicing systems,
payroll systems and purchasing systems.

18. ~~The computer system of claim 15 wherein calculating the value the real options~~
~~comprises using a Black Schole's algorithm to complete the calculation.~~(amended) The

computer readable medium of claim 13 wherein an enterprise is defined by a single product, a group of products, a division or an entire company.

19. (amended) The computer system method readable medium of claim 13 wherein calculating the value of the real option comprises using a binomial algorithm to complete the calculation enterprise is market value.

20. The computer system method of claim 15 wherein calculating the value of the real option further comprises identifying the variable that is the best predictor of stock price movement by comparing the clustering accuracy based on different variables on the known clustering of the S&P 500.
(amended) The computer readable medium of claim 13 wherein at least a portion of the data is from the Internet and external databases.

21. A computer implemented method for continuously valuing the elements of value of a business enterprise, comprising:
(amended) The computer readable medium of claim 13 wherein clustering can optionally be used to refine element and factor valuations by segmenting the data into different time periods or dividing an element of value into two or more sub-elements of value.

obtaining data relative to the value of the enterprise and its competitors,
identifying causal value drivers by element of value,
determining the relative impact of causal value drivers on the current operation cash flow of the enterprise by element of value,
determine the elements of value that are causal to stock price movement,
determining the value impact of causal elements of value on the real options of the enterprise, and
calculating the value of the element of value by adding the impact of the element of value on the real options of the enterprise with the product of the relative impact of the element of value on current operation cash flow and the enterprise current operation cash flow.

22. The computer implemented method of claim 21 wherein valuing the elements of value for the enterprise further comprises calculating for each causal element of value the relative ranking of each causal element vis a vis firms competing with the enterprise and calculating the appropriate discount rate for use in valuing the real options as a function of the relative causal element strength using data envelopment

analysis.(amended) The computer readable medium of claim 13 wherein predictive models from the group consisting of neural networks; regression trees; generalized autoregressive conditional heteroskedasticity (GARCH), projection pursuit regression; generalized additive model (GAM); redundant regression network; rough-set analysis; Naïve Bayes Regression, linear regression; support vector method, stepwise regression, Tetrad, maximum message length, LaGrange, Bayesian and path analysis are used to determine the value impact of the elements of value and market value factors.

~~23. The computer implemented method of claim 21 wherein the value drivers identified by predictive models have been determined to be causal drivers by a causal model.~~(amended) The computer readable medium of claim 13 wherein a paper document or an electronic display is used to report the value of the elements of value and the enterprise.

~~24. The computer implemented method of claim 21 wherein determining the percentage of the cash flow, attributable to each causal value driver comprises using output from a predictive model to determine the percentage of the cash flow attributable to the value driver.~~(amended) A value management system, comprising:

computers connected by a network each with a processor having circuitry to execute instructions; a storage device available to each processor with sequences of instructions stored therein, which when executed cause the processors to:

integrate raw and transformed data from a variety of systems into predictive models that quantify the impact of elements of value on the segments of value and the other elements of value of an enterprise;

combine the quantified element impacts with segment valuations to determine the value of the elements of value to a value of the enterprise; and

report the value of the elements of value and the enterprise.

~~25. The computer implemented method of claim 21 wherein the value driver comprises one or more item variables, one or more composite variables and/or one or more item performance indicators.~~(amended) The system of claim 24 wherein the elements of value are selected from the group consisting of relationships, brands, channels, customers, employees, intellectual property, partners, processes, production equipment and vendors.

26. (amended) A computer readable medium having sequences of instructions stored therein, which when executed cause a the processor in a computer to perform a fiscal method for continuously valuing the elements of value of a business enterprise, comprising:

obtainingintegrating raw and transformed data relative to-from a variety of systems into models that determine the value of the enterprise and its competitors,

identifying causalintangible elements of value and real options to a value drivers by element of an enterprise; and

reporting the value,

determining the relative impact of causal value drivers on the current operation cash flow of the enterprise by element of value,

identifying causalintangible elements of value for stock price movement,

determining the value impact of causal elements of value on the real options of the enterprise, and

calculating the value of the element of value by adding the product of the relative impact of the element of value on current operation cash flow and the forecast enterprise cash flow with the impact of the element of value on the real options ofand the enterprise using a paper document or an electronic display.

27. The computer readable medium of claim 26 wherein valuing the elements of value for the enterprise further comprises calculating for each causal element of value the relative ranking of each causal element vis a vis firms competing with the enterprise and calculating the appropriate discount rate for use in valuing the real options as a function of the relative causal element strength using data envelopment analysis.(amended) The computer readable medium of claim 26 wherein the intangible elements of value are selected from the group consisting of relationships, brands, channels, customers, employees, intellectual property, partners, processes and vendors.

28. The computer readable medium of claim 26 wherein the value drivers identified by predictive models have been determined to be causal drivers by a causal model.(amended) The computer readable medium of claim 26 wherein data is obtained from the group consisting of advanced financial systems, basic financial systems, alliance management systems, brand management systems, customer relationship management systems, channel management systems, intellectual property management systems, process management systems, vendor management systems,

operation management systems, sales management systems, human resource systems, accounts receivable systems, accounts payable systems, capital asset systems, inventory systems, invoicing systems, payroll systems and purchasing systems.

~~29. The computer readable medium of claim 26 wherein determining the percentage of the cash flow, attributable to each causal value driver comprises using output from a predictive model to determine the percentage of the cash flow attributable to the value driver.~~(amended) The computer readable medium of claim 26 wherein an enterprise is defined by a single product, a group of products, a division or an entire company.

~~30. The computer readable medium of claim 26 wherein the value driver comprises one or more item variables, one or more composite variables and/or one or more item performance indicators.~~(amended) The computer readable medium of claim 26 wherein the method for determining the value of the elements of value to the enterprise is determined in part by the level of interaction between elements of value.

~~31. A~~(amended) The computer system, comprising:

~~a processor having circuitry to execute instructions;~~

~~a storage device coupled to the processor and having sequences~~readable medium of instructions stored therein, which when executed cause the processor to,

obtain data relative to the claim 26 wherein predictive models from the group consisting of neural networks; regression trees; generalized autoregressive conditional heteroskedasticity (GARCH), projection pursuit regression; generalized additive model (GAM); redundant regression network; rough-set analysis; Naïve Bayes Regression, linear regression; support vector method, stepwise regression, Tetrad, maximum message length, LaGrange, Bayesian and path analysis are used to determine the value of the enterprise and its competitors,

identify causal value drivers by element of value,

determine the relative impact of causal value drivers on the current operation cash flow of the enterprise by element of value,

identify causal elements of value for stock price movement,

determine the value impact of causal elements of value on the real options of the enterprise, and

~~calculate the value of the element of value by adding the product of the relative impact of the element of value on current operation cash flow and the forecast enterprise cash flow with the impact of the element of value on the real options of the enterprise~~

~~32. The computer system of claim 31 wherein valuing the elements of value for the enterprise further comprises calculating for each causal element of value the relative ranking of each causal element vis a vis firms competing with the enterprise and calculating the appropriate discount rate for use in valuing the real options as a function of the relative causal element strength using data envelopment analysis.(amended) The computer readable medium of claim 26 wherein the real options are valued using dynamic programming , neural network or binomial algorithms.~~

~~33. The computer system of claim 31 wherein the value drivers identified by predictive models have been determined to be causal drivers by a causal model.(amended) The computer readable medium of claim 26 wherein the discount rate used to value the real options is a function of the relative strength of the elements of value causal to changes in the value of enterprise common stock.~~

~~34. The computer system of claim 31 wherein determining the percentage of the cash flow, attributable to each causal value driver comprises using output from a predictive model to determine the percentage of the cash flow attributable to the value driver.(amended) The computer readable medium of claim 26 wherein the value of the intangible elements of value reflect net element impact on one or more enterprise segments and the other elements of value.~~

~~35. The computer system of claim 31 wherein the value driver comprises one or more item variables, one or more composite variables and/or one or more item performance indicators.(amended) A fiscal management system, comprising:~~

~~a computer with a processor having circuitry to execute instructions; a storage device available to said processor with sequences of instructions stored therein, which when executed cause the processor to:~~

~~integrate raw and transformed data from a variety of systems into models that determine the value of the elements of value and real options to a value of an enterprise; and~~

report the value of the elements of value, real options and the enterprise.